

2006 QAP WORKSHOP and SYNDICATION MARKETPLACE

March 9, 2006



Application Deadlines

- Family, Senior & Supportive Housing Cycles

Due: APRIL 21st HIGH NOON!

Awards: JUNE 13th

- Final Cycle

Due: AUGUST 18th

Awards: Late October

- Hardship Applications

Due: JULY 17th



Funding Amounts and Set-Asides



Family Cycle

- 6,000,000 Available
- Maximum annual allocation = 1.8 mil
- 4 set-asides
 - Affordability = 1 project
 - HOPE VI = 1 project
 - Qualified Nonprofit = 1 project
 - Mixed Income ****NEW****



Mixed Income Set-Aside

The Rule of the three 50's

- Applicable Fraction $\leq 50\%$
- Where at least 50% of the tax credit units are @ or below 50% of AMI

Senior Cycle

- 2,880,000 Available
- Maximum annual allocation = 1.2 mil
- No more than 15% of units are 2BR
- 2 set-asides
 - Affordability = 1 project
 - HOPE VI = 1 project

Supportive Housing Cycle

- 1,800,000 Available
- Maximum annual allocation = 900k
- No Set-Asides

Supportive Housing Cycle Supportive Housing Project Criteria

- The greater of 10 units or 25% of the total project units
- Minimum of three daily services
- Social service coordinator for at least 20 hours a week.
- Social Service Plan
- Significant changes to requirements



Supportive Housing Cycle – Eligible Populations

- Homeless;
- Persons with a mental health disability;
- Persons with physical disabilities;
- Mentally retarded/developmentally disabled;
- blind, visually impaired and hearing impaired
- Persons with AIDS/HIV-related illness;
- Alcohol/substance abusers;
- Pregnant/parenting teens;
- Work First Temporary Assistance to Needy Families Program Participants;
- Victims of domestic violence;
- Ex-offenders and youth offenders;
- Youth aging out of foster care, runaway and homeless youth;
- Other emerging population approved by a State Department or Agency.



Supportive Housing Cycle

“Social service coordinator” means a person who is responsible for linking the residents of a tax credit property to appropriate supportive services. Including:

- Case management services
- Information and referral
- Linkage to entitlements
- Service Needs Assessment and Service Plan
- Monitoring and evaluating service delivery
- Establishing links with community agencies and service providers;
- Advocacy
- Planning and implementing social and leisure activities



Supportive Housing - Points

15 Total possible points

- Up to 8 points – Social Services Plan
- 1 Point - minimum of 3 community partnerships
- 2 Pts - permanent supportive housing
- 2 Pts - rental assistance commitments for at least 50% of the project
- 2 Points – qualified nonprofit organization



Final Cycle

- Balance of credits
- Maximum annual allocation = 1.8 mil
- 2 (or 3) set-asides
 - HOPE VI = 1 project
 - Preservation = 1 project
 - Nonprofit (if necessary)

Preservation Set-Aside

At Risk of losing its affordability controls

OR

At risk of losing its level of affordability

- Documentation how rent will remain at or near existing levels
- Utilization of an applicable fraction based on income levels of tenants AND market analysis

Developer fee attributed to acquisition limited to 8% of acquisition amount AND non-deferred portion not to exceed 4% of Acquisition Amount



Eligibility

Project Narrative & Market Study

Market Study

- Market Study < 6 months
- Analyst to strictly adhere to market study requirements
- HMFA review consultant to contact analyst directly
- 5 business days for analyst to respond
- Pictures & 2 copies!

Appraisal for land values > \$7,500/unit



Eligibility

- Site control
 - Current owner's recorded deed is required
 - Eminent Domain
 - Written offers
 - Declaration of taking to be recorded within 3 months after tax credit award
 - Lot and Block on Deeds = List of properties in Part I



Eligibility

- Preliminary site plan approval
- Environmentals
 - submit Phase I (if available)
- Funding Commitments
 - No more than 50% dev. fee pledge as a permanent source
 - Max Dev. Fee of 15% - 8% non-deferred
- Energy Star
 - Rebates included as a source of funds at PIS
 - Partnership Agreement signed by both parties



Feasibility – Operating Budget Guidelines

- Income/Expense/Vacancy = 2%/3%/7%
- Debt Coverage Ratio = 1.15 to 1.20
- Replacement Reserves: \$300 to \$400/du
- Core Operating Expenses: \$1,800-\$3,400 per unit (means expenses for administration, salaries, maintenance and repairs, maintenance contracts and insurance)
- 2 operating comps to be submitted



Feasibility – Capital Budget Guidelines

- Minimum Equity Factor = \$.80
- New Eligible Basis Limits
- Tax Credit Percentage
 - 70% Present Value Credit = 8.15%
 - 30% Present Value Credit = 3.50%
- Signature Page for Capital & Operating Budgets
 - signed by applicant, lender and syndicator
- Tax Credit fees OUT of basis



POINT SYSTEM and RANKING CRITERIA



FAMILY and FINAL CYCLES



**N
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30-yr Compliance Period = 15 pts

-OR-

Qualified Census Tract = 15 pts

-OR-

Convert to Homeownership = 10 pts

PHA Letter = 1 point



Revised!

Large Family Units

- Low-Rise Building
 - At least 30% 3BR+ units = 7 pts
- Mid/High-Rise (5+ res. stories)
 - Rehab = 3 pts
 - New Construction = 0 pts

County/Municipal/PHA Support

- Tax Abatement - 5pts
- 2 yr escrow PLUS
 - Support $> 5\%$ of total costs - 4 pts
 - Support $= 5\%$ of total costs - 3 pts
 - Support $> 1\%$ and $< 5\%$ - 2 pts
- Municipal confirmation of assessment



N o C h a n g e

- Social Services – up to 3 pts
- MBE/WBE – 4 pts
- Unit Amenities – up to 3 pts
- Project Amenities – up to 2 pts
- Comm. Policing/Public Safety – 1 pt
- Equity Commitment – 1 pt
- Certified Property Manager – 2 pts
- Negative Points

SMART GROWTH (5)

-PLUS-

COAH/Court/Transit Village (5)

-OR-

QCT with CRP (2)



COAH/Court-Ordered

- Petition for 3rd Round Sub Cert or Pending Judgment of Repose OK for points at application
- Substantive Cert/Final judgment needed to draw down Home Express/BHP funds
 - Interim source of funds must be shown
- Confirmation of Density Bonus Letter



Transit Villages

- <http://www.nj.gov/transportation/community/village/>
- Belmar, Bloomfield, Bound Brook, Collingswood, Cranford, Journal Square/Jersey City, Matawan, Metuchen, Morristown, New Brunswick, Netcong, Pleasantville, Rahway, Riverside, Rutherford, South Amboy and South Orange

Community Revitalization Plan

- Redevelopment Plan/Neighborhood Revitalization Plan

-OR-

- Meet 8 criteria listed in QAP
- Heather Mahaley (609-278-7504)
- Pre-Application Reviews – due by 4/6



School Renaissance Zones

- Trenton
- Paterson
- Neptune
- Union City
- Maureen Hassett, EDA (609-943-4129)



New!!

Green Building = 1 point

NJ Affordable Green Program

- Darren Port, NJ Green Homes Office

-OR-

Solar Photovoltaic System

- Elizabeth Robbins, HMFA



Brownfields = 2 points

- Remedial Action Work Plan from DEP

OR

- BMSI Tracking Number from Brownfields Redevelopment Task Force
 - Dr. Frances Hoffman, Office of Smart Growth



SENIOR CYCLE



Senior Cycle

Same as Family/Final EXCEPT:

- Smart Growth – points for COAH and QCT are reversed

New!!

- Frail Elderly (20% of units) replaces Large Family Unit points (1 point)

Point System

Equitable Distribution

- 2 projects per cycle/3 projects per year
- Per developer/GP and/or municipality

Minimum point score required = 65%



WARNING!!!

Follow through on point categories!

Failure to do so can delay or prevent issuance
of the IRS Form 8609



Cure Period

- Clarification or missing document/signature
- Contact person listed in application
- Sent via fax
- 48 hours to respond
- One negative point per cure

Substantially Incomplete

- 3 missing docs and/or signatures
- OR -
- 6 msg. docs, signatures and/or clarifications

NO opportunity to cure!



THANK YOU!!!

- Questions?
- Deb Urban (609) 278-7577
- Kevin Kavanaugh (609) 278-7463
- Evan Hom (609) 278-7428

